

STATEWIDE WATER ADVISORY GROUP MEETING SUMMARY

Meeting Number 3, June 2, 2006, 10:00 AM to 2:00 PM

I. Introductions and review of May 19 meeting

Tom Carr opened the meeting by letting the members know that a summary of the minutes from the last meeting had been emailed to each member. He asked the members to review the minutes and let us know if any changes were needed. Any suggested changes or modifications should be forwarded to the Department by Wednesday, June 7. Tom informed the group that the Department is in the process of updating the group's email list because some members have indicated they are not receiving email notifications for meetings. All members not receiving email notifications were asked to provide their current contact information to the Department before they left the meeting.

Tom Carr informed the group the Department has been having some hardware issues associated with the website, but hoped to have it corrected shortly so that all presentations and minutes can be viewed on the website. The web address is <http://www.azwater.gov/>

Tom Carr let the group know that the next two meetings are scheduled for June 16 and July 7. At the June 16 meeting six more presentations have been scheduled, three more presentations from other areas/regions of the State and three presentations from examples of authorities/districts. The three regional presentations will be from the Mohave County area, the Round Valley/St. Johns area and The Nature Conservancy. The three presentations from examples of authority/district will be from Mohave County Water Authority, the Pinal Water Augmentation Authority, and the former Santa Cruz Valley Water District. At the July 7 meeting, the states of Colorado, Utah, and California will be making presentations on how their states fund water resources development projects. Tom stated at this meeting the group would also be discussing how to organize to attack the issues that have been presented over the last three meetings.

Herb Dishlip noted that a number of alternates were present at the meeting and asked all of the members of the group to introduce themselves. After the introductions, Herb informed the group that four presentations were scheduled for the meeting. The four presentations would be from the Yavapai County/Verde River watershed area, the Payson/Pine/Strawberry area, the Yuma County area, and the Graham County area. He reminded everyone that the purpose of these presentations was to enlighten the members of how many of the issues brought up in the first two meetings translate into the real world situations and how areas are dealing with the issues. Herb expressed hope that the presentations might stimulate a dialogue among members to begin asking questions of how we might address the issues from a statewide perspective.

II. Presentation on Regional Planning Efforts

-Prescott AMA/Verde Valley-

Bob Hardy from the City of Cottonwood and John Munderloh from the Town of Prescott Valley made the first presentation on the water issues of Prescott AMA, Yavapai County and the Verde Watershed. See copy of the presentation on the website.

After the presentation there were several questions asked:

Pat Call from Cochise County asked what ways they were exploring to get exempt well owners involved.

John Munderloh explained that they feel the exempt well owners should have the same responsibility in meeting the goal of safe yield as anyone else. That being said, however, it is difficult to actually get the exempt well owner to be accountable. One possible option might be to organize some sort of taxing authority that could use the money obtained to develop additional supplies or enhance recharge.

Bob Strain from Sierra Vista asked if they had the authority to require developers to bring water with them.

John Munderloh explained that within an AMA the Department has the authority under the Assured Water Supply program to require a developer to have their assured water supply prior to the approval of a subdivision. Purchasing and converting historical agricultural rights to municipal rights and by obtaining effluent and recharging it for credits can accomplish this. The City of Prescott under its designation is currently pursuing both of these options. Outside of the AMA there is no authority in the unincorporated areas to require developers to bring their own water prior to approval.

Bob Strain from Sierra Vista asked if this was an AMA tool.

John Munderloh said yes.

Richard Underwood from the Southern Arizona Home Builders Association asked if they used a CFD to fund the sewer system.

John Munderloh responded they did use a CFD and also received financial assistance from ADEQ and WIFA.

Andy Laurenzi from the Sonoran Institute asked whether or not they were experiencing many of the same issues in the Upper Agua Fria Watershed that they were experiencing in the Verde.

John Munderloh stated there are many of the same issues, but there isn't nearly as much angst as there is in the Verde Watershed.

Carol Klopatek from the Ft. McDowell Yavapai Tribe asked what the graph presented in the presentation on the projected water demands would look like if the projected water demands of the Verde Watershed portion of the Prescott AMA and the projected demands of the Verde Valley were combined.

John Munderloh responded that the slope of both tables looks fairly similar so the slope would probably be about the same, but the total projected water demand would probably be the sum of the projected demands for the two areas.

Herb Dishlip stated that the future municipal water demands might have to be met by the purchase and conversion of agricultural water use to municipal water use. Have you seen any economic changes or changes in community values with the loss in agriculture as this conversion occurs?

John Munderloh responded that the nature of the community has definitely changed, but wasn't sure about economic impacts as a result of the loss in agriculture. Growth is still the biggest economic driver in the region.

Pat Graham from The Nature Conservancy stated that with all of the various interest groups you identified in your presentation, how do you foresee them coming together?

Bob Hardy responded that he was optimistic and hopeful that the various interest groups would come together as more regional planning occurs.

Herb Guenther noted that during the presentation you eluded to the possibility of water transfers. Have you identified what types of water transfers you are looking into?

Bob Hardy replied they were currently pursuing water conservation and reuse to maximize their current water supplies to meet their demands. No specific water transfer had been identified yet, but working with groups such as NAMWUA may ultimately lead to the identification of one or more types of water transfers that might be feasible to pursue.

Herb Dishlip asked whether or not they envisioned having to replace water that potentially could be lost as a result of the adjudication.

John Munderloh responded they are hoping not to lose any water, but just in case, they are looking at the possibility of purchasing and retiring agricultural rights or pursuing water transfers as a means of offsetting any potential loss from the adjudication.

Herb Guenther asked what was the primary crop grown?

Bob Hardy stated alfalfa.

Jim Holt from Prescott then asked whether or not the SWAG might want an update on the proposed pipeline from Big Chino to Prescott and after hearing that it would be of value provided the following update.

The Project consists of 28 miles of pipeline of which 2/3 of the pipeline is 36-inch pipe, 8 wells, 4 storage reservoirs, 2 new pump stations, 1 refurbished pump station, and 2 electrical substations. Black and Veatch are currently preparing a conceptual design report, which is due to be complete by the end of this month. The estimated cost of the project in December of 2004 was \$80 million.

Herb Guenther asked if the information was available on the City of Prescott's website and if so maybe we can provide a link from our website.

Jim Holt stated that it would be available on their website.

Bob McCain from AMWUA asked how much water would be transported from the Big Chino?

Jim Holt responded that A.R.S. 45-455 allows for pumping up to 14,000 acre-feet and we have received a letter from ADWR stating that they feel we are able to pump up to 8,717 acre-feet. There are also some historically irrigated lands that could be retired and converted for municipal use as well.

Bas Aja from the Cattlemen's Association asked what the net effect of the project regarding the retirement of historically irrigated lands.

Jim Holt stated there are 1200 acres of historically irrigated lands that are entitled to 3.0 acre-feet per acre that could be retired. The net difference is about 4500 to 4700 acre-feet.

Andy Laurenzi asked what the time frame was to begin pumping.

Jim Holt stated it would take about 12 months for completion of the engineering design. Initial construction is currently scheduled to begin in July of 2007. Construction is currently scheduled to be complete in 2009. Pumping could begin as early as July 2009, but pumping scenarios have not been developed yet.

Michelle Harrington from the Center for Biological Diversity stated they were opposed to the transfer because of the impacts on the Verde River and will remain opposed until such time that the City demonstrates what it will do to protect the River. Michelle then stated she felt it was ridiculous for a city to spend \$24 million without first knowing what impacts are going to occur to the River. She then asked whether or not a pipeline routing had been decided, what washes it will cross, and what federal permits will be required.

Jim Holt responded there are several potential pipeline routings, but no specific pipeline routing had been decided yet. The pipeline routing will actually be a part of the Black and Veatch report.

Jack Wilson identified himself as a member of the Verde Basin Partnership and that if anyone was interested about their group, they could go to their website at <http://www.vrpartnership.com/>. Their next meeting is scheduled for June 12 and information on their meetings could also be obtained from their website.

-Mogollon Highlands: Mogollon Rim Water Supply Study-

Buzz Walker made the second presentation from the Town of Payson on the water issues of the Payson, Pine and Strawberry areas. See copy of the presentation on the website.

After the presentation there were several questions asked:

John Sullivan from SRP stated that he would be remiss if we didn't recognize Phelps Dodge for its effort in building the Blue Ridge Reservoir Dam and for transferring the water rights to SRP and the Town of Payson.

Sid Wilson from CAP expressed some concern about Buzz Walker's demand numbers and wanted to know if Buzz's calculations included water demands from tourists and second home owners as well.

Buzz Walker said yes they did. He stated they simply take the total demand and divide it by the total population of the permanent residence to get the 87 gpcd.

Sid Wilson then asked if the water shortages we hear about every summer were for communities such as Pine and Strawberry rather than Payson.

Buzz Walker again said yes. The shortages you hear about every year are for the communities outside of Payson.

Sid Wilson stated that State Laws really do not help Payson with controlling population growth. What authority does Payson have to limit or control growth?

Buzz Walker stated that Payson attempts to control growth through passing ordinances and resolutions. There are also a lot of restrictions on growth that can be accomplished through the rezoning process.

Tom Carr asked if Payson had a problem with exempt wells.

Buzz Walker said maybe not to the extent of the Verde Valley, but yes they do have problems. It is difficult to initiate restrictive conservation efforts when you have no control over the private well owner. This creates an atmosphere of inequity, which leads to problems. All wells need to be controlled within a municipal service area. Another example of a problem with exempt wells is poor water quality. We have no control over the quality of the water discharging from an exempt well and if the location of an exempt well happens to be next to a contaminated groundwater plume there are risks associated with drinking the water and the pumping can also impact the groundwater plume.

Herb Dishlip asked how Payson was able to get the Bureau of Reclamation involved in their water study.

Buzz Walker stated it was a matter of coincidence and timing. We were looking to have a study conducted and they were looking for ways to use their expertise.

Herb Dishlip asked how they determined safe-yield.

Buzz Walker responded that they have a hydro geologist on staff that conducted a 4-5 year study. We evaluated all of the Town's wells and determined the surface area of the capture zone for recharge to all of the wells. We then calculated the long-term average precipitation for the area and assumed a 10% recharge rate, which is fairly conservative for the area. This then gives us a volume of the groundwater inflow into the area and we compare that to our annual demands, which tells us whether or not we are mining or in safe-yield. We monitor our wells very closely to confirm that what we feel is safe-yield is being reflected by any trends in groundwater elevations.

Sid Wilson asked Buzz to define what he meant by a deep well when he was talking about the limited use of deep regional groundwater in areas of limited growth.

Buzz responded deep wells are typically 400 to 500 feet with some municipal wells exceeding 1000 feet. In the unincorporated areas around Payson, most wells are privately owned and the potential for excessive growth occurring is limited by the fact that these small areas of privately owned land are generally surrounded by public lands. This limiting factor on the development of deep regional

groundwater is generally a factor of the amount of growth that can occur, which is limited by the amount of land that can be developed.

Andy Laurenzi asked if the deeper wells were drilling into a different aquifer.

Mike Ploughe the Town of Payson's hydro geologist responded that they have a double aquifer system. The water in the shallow aquifer is fed by recharge from localized precipitation and snowmelt. The deeper aquifer system, which is greater than 400 feet deep, originates from distant areas along and just beneath the Rim.

Bob Lucius from the City of Prescott, but not a member of SWAG asked what type of treatment does Payson use to treat its wastewater.

Buzz Walker replied that they utilize a tertiary treatment process, which includes denitrification. The sludge from their treatment process can be dried and palletized and used for fertilizer. Buzz also stated that their plant had received the EPA Region 9 wastewater treatment plant of the year twice.

Bob Lucius then stated that ADEQ has standards for effluent. What is level of standard for your discharge?

Buzz Walker replied we have an A+ rating, the highest rating, which allows for full body contact.

-Yuma County-

Wade Noble made the third presentation from the Yuma Area Water Resources Management Group on the water issues of the Yuma County area. See copy of the presentation on the website.

After the presentation there were several questions asked:

Bob McCain from AMWUA asked if Coyote Springs Development was an example of a developer that is purchasing water from Welton Mohawk Irrigation District (MWID). He also asked if MWID had to retire agricultural lands in order sell the water to Coyote Springs.

Wade Noble responded that Coyote Springs was an example of a developer that was purchasing water from WMID, but WMID did not have to retire agriculture land in order to sell them water. WMID's water contract requires that all of their water be used specifically for irrigation purposes with the exception of 5000 acre-feet, which can be used for domestic purposes. Yuma Mesa has 10,000 acre-feet of allocation that can be used for domestic. The water that WMID is selling to Coyote Springs comes from the 5000 acre-feet of domestic water. WMID charges \$43 per acre-foot for O&M and \$5000 as a hookup fee. Wade further stated that if any new development comes requesting water we would have to say that we couldn't help them. There is no provision that allows for the transfer any additional water for domestic purposes. Any water not used for irrigation purposes goes to a junior right holder, which is CAP.

Sid Wilson stated with the decline in the water quality in the foothills, what is the mechanism for transferring them surface water. Are they in the Irrigation District boundaries?

Wade Noble replied the irrigation districts are only authorized to deliver water to irrigated lands plus a little for domestic. Agricultural water use cannot be converted to domestic use. Water not used by the irrigation district goes to CAP. In the case of foothills, the boundary of the Yuma Mesa District was changed to include the foothills and deliveries to the foothills are made out of the 10,000 acre-feet of the Districts domestic allocation.

Herb Guenther asked Wade to talk a little about the organization of the Yuma Area Water Management Group.

Wade Noble described the group as an informal group that came together out of a desire address all water issues in the area and to prevent anyone else from taking or controlling their water. In addition to the Water Management Group there also several other groups in the area that are addressing some of the specific issues.

-Upper Gila-

Jay Howe made the third presentation from the Safford/Gila Watershed Partnership on the water issues of the Graham and Greenlee Counties area. See copy of the presentation on the website.

After the presentation there were several questions asked:

Richard Underwood asked what the impact is going to be on the region from the new ore body that is currently being developed?

Jay Howe stated the primary impact is the projected increase in growth and the area is already trying to play catch-up. The mine is projecting 800 to 1000 full-time employees.

Richard Underwood asked if the Phelps Dodge has been partnering with the local communities.

Jay Howe replied that Phelps Dodge has been involved in all of planning efforts in the two counties and has been an excellent partner.

Val Danos from the public asked where the riparian water demand number presented in Jay's presentation came from?

Jay Howe replied the numbers came from the Gila Watershed Partnership's regional water demand study of 2000. This ended the presentations

III. Next meeting – Review of Process

Herb Dishlip indicated that we would like to begin moving towards more focused discussions. He stated he and Tom Carr had looked over the identified issues and came up with three broad categories that the issues could fall into with perhaps some overlap between the three categories. The three categories identified were 1) Water supply and growth, 2) Water supply development and management, and 3) Potential role for the government regarding funding of projects and conservation assistance. Herb stated a questionnaire will be sent out by email to all of the members before the next meeting and asked that all of the members please be prepared to discuss it at the next meeting. Herb asked members to consider whether or not we might be biting off more than we can chew, which will result in nothing happening.

Herb stated there would be several more presentations made at the next meeting and asked whether or not any additional presentation should be added. Herb then started talking about the logistics for the upcoming meetings. He stated that as we begin to break into work groups to address the three categories the members might consider having meetings in the morning and also in the afternoon on the same day to avoid having to drive back to Phoenix more than a couple of times per month.

Tom Carr reminded everyone that the next meeting would be on June 16 with a follow-up meeting to be held on July 7. At the July 7 meeting we will finalize the three-subcommittee work groups. Tom then asked members to please provide any comments on the minutes by Wednesday June 7, 2006.

IV. Call to the Public

Herb Guenther then made a call to the public for any comments. The public offered no comments.

V. Adjourn

Meeting was adjourned.